REMARKS

The Examiner is thanked for the thorough consideration given the present application.

Claims 1, 2 and 4 are pending in the present application. Claim 1 has been amended.

Reconsideration of the application, as amended, is respectfully requested.

Claim Rejections - 35 U.S.C. § 103

Claims 1, 2 and 4 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over

Abileah et al. (U. S. Patent 6,629,784 – hereinafter "Abileah) taken with Depp et al. (U. S. Patent

5,831,698 – hereinafter "Depp"). This rejection is respectfully traversed.

Firstly, as will be seen by the above amendments, claim 1 has been amended to include

the limitation "wherein said liquid crystal layer and a lower glass substrate of said pair of glass

substrates sandwich a continuous transparent electrode on the lower glass substrate, a plurality

of isolated stacks on the continuous transparent electrode, and an alignment film covering the

isolated stacks and the continuous transparent electrode, and wherein each of the isolated stacks

comprises a resin layer and a diffusive reflective plate thereon." Support for this limitation can

be found in Fig. 6 (shown below). Applicant submits that no new matter has been added.

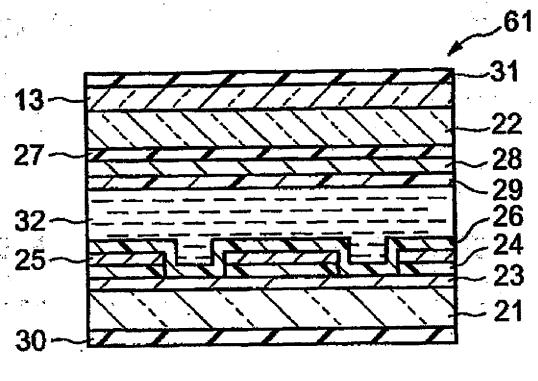


Fig. 6

With regard to the rejection of the claims over Abileah and Depp, Abileah discloses a backlight LC display including a polarizer, diffuser, non-continuous pixel electrode, liquid crystal, etc. The Examiner admits that the display of Abileah does not, however, disclose a diffusing element having a controlling means for switching the diffusing element between scattering and non-scattering states. The Examiner, accordingly, relies on Depp to show this feature.

Depp shows an example of a switchable diffuser element used in a portable LC display. However, both Abileah and Depp fail to recite all of the features of present claim 1, as now amended.

As described above, Abileah and Depp, either alone or in combination, fail to disclose, teach, or suggest the limitation "wherein said liquid crystal layer and a lower glass substrate of

said pair of glass substrates sandwich a continuous transparent electrode on the lower glass

substrate, a plurality of isolated stacks on the continuous transparent electrode, and an

alignment film covering the isolated stacks and the continuous transparent electrode, and

wherein each of the isolated stacks comprises a resin layer and a diffusive reflective plate

thereof," as recited in amended claim 1. Accordingly, the invention cannot be obtained by

combining the cited references.

Under MPEP § 2143, to establish a prima facie case of obviousness, the prior art

reference (or reference when combined) must teach or suggest all the claim limitations. Since

the cited references do not teach the above-quoted limitation of amended claim 1, Applicant

respectfully submits that amended claim 1 should be allowed.

In addition, claims 2 and 4, which depend from allowable claim 1, should also be in

condition for immediate allowance for at least the same reasons set forth above regarding claim

1.

Accordingly, reconsideration and withdrawal of the rejections of claims 1, 2 and 4 under

35 U.S.C. § 103 are respectfully requested.

Conclusion

In view of the above amendments and remarks, Applicant believes the pending

application is in condition for allowance, and an early Notice of Allowance is earnestly solicited.

Application No. 10/535,754

Amendment dated March 19, 2008

After Final Office Action of December 19, 2007

Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact the undersigned, at the telephone number below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37.C.F.R. §§1.16 or 1.14; particularly, extension of time fees.

Dated: March 19, 2008

Respectfully submitted,

Paul C. Lewis

Registration No.: 43,368

BIRCH, STEWART, KOLASCH & BIRCH, LLP

8110 Gatehouse Road

Suite 100 East P.O. Box 747

Falls Church, Virginia 22040-0747

(703) 205-8000

Attorney for Applicant